

**ENTERPRISE AND SUPPLIER DEVELOPMENT PROGRAM**

Every subcontracting shall be accompanied by the Enterprise and Supplier Development (ESD) plan aligned to Eskom Rotek Industries (ERI) ESD program conditions as well as the relevant code of the DTI Codes of Good Practice as amended and must answer the following two key questions:

- i. What is being done to enhance the financial capacity of beneficiary? and
- ii. What is being done to improve the operational capacity of beneficiary

**1. Pre-requisites for an Enterprise and Supplier Development relationship:**

- a) A relationship agreement of cooperation and assistance has to be in place between the ERI contracted entity and Enterprise and Supplier Development (ESD) beneficiary.
- b) The contracted entity may not own a stake or shares (strictly 0% shareholding) in the ESD beneficiary, either directly or through a flow through or modified principles calculation.
- c) The ESD beneficiary that qualifies for ESD shall:
  - i. Be a legal entity registered with National Treasury's Central Supplier Database.
  - ii. Residing or located within ERI's areas of operation classified as Local to Site; and
  - iii. Must be at least 51% Black Owned, controlled and managed, classified as an Exempted Micro-Enterprise (EME)

**2. Requirements for Supplier and Enterprise Development program:**

- a) The contracted entity must comply with the five requirements below before the relationship with an ESD beneficiary can be labeled as an official ESD relationship attached to the contracted entity. The requirements are as follows:
  - i. Conduct a needs analysis on the ESD beneficiary to identify developmental areas.
  - ii. Formulate a development program with milestones aimed at eliminating identified gaps. At least seven of the fourteen areas of development must be identified from the list below. The following areas can be targeted for development but is not limited to:
    1. Management and labour skills transfer.
    2. Shorter payment terms less than 14 days.
    3. Guarantee(s) provided on behalf of a beneficiary entity.
    4. Interest-free loan with no security requirements.
    5. Establishment of administrative systems.
    6. Establishment of cost controls systems.
    7. Planning, tendering and programming skills transfer.
    8. Business skills transfer with emphasis on entrepreneurial and negotiation skills.
    9. Technical skills transfer with emphasis on innovation.
    10. Legal compliance.
    11. Procurement skills transfer.
    12. Establish credit rating/ history.
    13. Establish financial loan capacity/ history.
    14. Contractual knowledge transfer
  - iii. Develop a schedule of activities to address the identified developmental areas. At least seven areas must have been addressed per beneficiary.
  - iv. Allocate resources for development of the ESD beneficiary involved in the supplier and enterprise development relationship; and
  - v. Appoint a champion for Supplier and Enterprise Development. It must be an accountable and responsible person from at least senior management level within the



## ANNEXURE L

### Enterprise and Supplier Development Program Conditions for the scaffolding services

contracted entity. This individual must be suitably qualified and experienced to monitor progress and complete portfolio of proof for activities as per paragraph 2 (a ) (i-iv ) for submission to ERI within agreed timelines

#### 3. Process of monitoring and reporting related to the ESD program:

##### 3.1. The ERI assigned contract management representative shall:

- i. Ensure that all the pre-requisites for an ESD relationship have been met over the agreed timelines of the contract in order to recognize the ESD Program;
- ii. Ensure that the ESD Program complies with the requirements; and
- iii. Interview and inspect any relevant documentation including premises for the ESD beneficiary and selected staff to verify ESD Program compliance to contractual SDL&I commitments.

#### ACCEPTED BY:

\_\_\_\_\_  
Name  
(Appointed company  
representative)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Note: Please indicate your commitment to the contents of this document by signing above and return to ERI as part of the tender returnable. Should the document not return to ERI or return unsigned, it will be viewed as non-acceptance of the SDL&I requirements which will result in your tender being disqualified without further evaluation.**